

Thursday, April 17, 2008

House Meets At	Votes Predicted At
8:30 a.m. Former Members Day 10:30 a.m. For Legislative Business	Last Vote: 2:00-3:00 p.m.
Fifteen "One-minutes" Per Side	

Any anticipated Member absences for votes this week should be reported to the Office of the Majority Whip at 226-3210.

***The House will open at 8:30 am today, and will immediately recess for Former Member's Day. The House will then reconvene at approximately 10:30 am ***

Floor Schedule and Procedure

- Complete consideration of H.R. 5715 Ensuring Continued Access to Student Loans Act of 2008 (Rep. Miller-Education and Labor):

 Pursuant to the rule, debate on the bill will be managed by Education and Labor Committee Chair Rep. George Miller, or his designee, and will proceed as follows:
 - Debate on the bill.
 - Debate and votes on amendments to the bill.
 - Possible debate and vote on a Republican motion to recommit the bill.
 - Vote on passage of the bill.

Bill Summary and Key Issues

<u>H.R. 5715 - THE ENSURING CONTINUED ACCESS TO STUDENT LOANS</u> <u>ACT OF 2008</u>(Rep. George Miller (CA) – Education and Labor)

In recent months, turmoil in the U.S. credit markets has made it difficult for some lenders in the federally guaranteed student loan program to secure the capital needed to finance college loans, leading some lenders to scale back their lending activity. While no student or college has reported any problems accessing federal student aid to date, it is only prudent for the federal government to make sure that contingency plans are in place that would provide students and families with continued, uninterrupted access to federal loans, regardless of what's happening in the credit markets. The Ensuring Continued Access to Student Loans Act of

2008 would provide new protections, in addition to those in current law, to ensure that families can continue to access the loans they need to pay for college.

H.R. 5715 would:

Reduce borrowers' reliance on costlier private college loans and encourage responsible borrowing

- Under current law, dependent undergraduate students can borrow \$3,500 in unsubsidized federal loans during their first year of college; \$4,500 in unsubsidized loans during their second year; and \$5,500 in unsubsidized loans during their final two years of college. Over the course of their education, dependent undergraduate students can currently borrow up to \$23,000 in total federal student loans (both subsidized and unsubsidized) and independent undergraduates can borrow up to \$46,000 in total loans.
- H.R. 5715 would increase the annual loan limits on federal unsubsidized student loans by \$2,000 for all students, and increase the aggregate loan limits (the total loan limit over the course of a student's education) to \$31,000 for dependent undergraduates and to \$57,500 for independent undergraduates.

Give parent borrowers more time to begin paying off their federal PLUS college loans

- Under current law, parent borrowers must begin repayment of federal PLUS college loans 60 days after the disbursement of the loan.
- H.R. 5715 would give parents the option to defer repayment until up to six months after their children leave school, giving families more flexibility in hard economic times.

Help struggling homeowners pay for college

- Under current law, parents with an adverse credit history are ineligible to receive a parent PLUS loan, except under extenuating circumstances.
- H.R. 5715 would temporarily classify as an extenuating circumstance delinquencies on home mortgages of up to 180 days, therefore making it possible for parents feeling strained by the current housing market to secure loans for their children.

Provide the U.S. Secretary of Education additional tools to safeguard access to student loans

H.R. 5715 would clarify that existing law gives the U.S. Education
Secretary the mandatory authority to advance federal funds to guaranty
agencies operating as lenders of last resort in the event that they do not
have sufficient capital to originate new loans. The bill would also allow
guaranty agencies to carry out the functions of lender of last resort on a
school-wide basis.

 H.R. 5715 would also give the Secretary the temporary authority to purchase loans from lenders in the federal guaranteed loan program, if there was a determination that lenders and other existing policy options were unable to meet the demand for loans. This would ensure that lenders continue to have access to capital to originate new loans. The Education Department would only be authorized to purchase loans in such a manner that would carry no cost for the federal government.

Anticipated Amendments to H.R. 5715:

- 1. Miller, George (CA): The Manager's amendment makes technical and conforming changes; states that loan limit increases available under this Act are available only to students meeting the requirements of section 484(a) of the HEA; targets the loan limit increases to those students and families in most need; in regard to school-wide lender-of-last-resort eligibility, specifies that the Secretary of Education shall determine whether a school qualifies and provides criteria for the Secretary to consider in making the determination; specifies that funds received by lenders from loan sales be used to originate new loans; clarifies that the Secretary has the authority to enter into forward commitments to purchase new loans; and clarifies that, at the discretion of the Secretary, a loan purchased by the Secretary may continue to be serviced by the current lender. (10 minutes)

 2. Petri (WI): The amendment requires the Secretary of Education to review and revise as necessary the regulations concerning prohibited guaranty agency inducements to eligible lenders. (10 minutes)
- **3. Castle (DE)/Welch (VT):** The amendment requires the General Accountability Office to conduct a study of the impact of raising loan limits on (1) tuition, fees, and room and board at institutions of higher education; and (2) private loan borrowing for attendance at institutions of higher education. (10 minutes)
- **4. Castor (FL):** The amendment temporarily classifies medical bill payment delinquencies of up to 180 days an extenuating circumstance which shall not interfere with parents' ability to receive PLUS loans for their children's tuition. (10 minutes)

Quote of the Day

"There are those who will say that the liberation of humanity, the freedom of man and mind is nothing but a dream. They are right. It is the American Dream." -Archibald McLeish

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